

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE:

**Renegade Holdings, Inc., et al

Debtors**

**Case No. 09-50140
Consolidated for Administration
Chapter 11**

**FIRST MODIFICATION TO AMENDED JOINT PLAN OF REORGANIZATION
DATED OCTOBER 1, 2009**

Now come Renegade Holdings, Inc., Alternative Brands, Inc. and Renegade Tobacco Co. (the “Debtors”), pursuant to 11 U.S.C. Section 1127 and Rule 3019 of the Federal Rules of Bankruptcy Procedure, and respectfully submit the following First Modification (the “Modification”) to the Amended Joint Plan of Reorganization Dated August 24, 2009 (the “Plan”).¹

1. On April 23, 2010, this Court entered the Order Confirming Amended Joint Plan of Reorganization Dated October 1, 2009 (Docket #471, the “Confirmation Order”). On May 7, 2010, the States filed the States’ Motion For New Trial Or To Alter Or Amend The Order Confirming The Plan (Docket #480, the “Rule 59 Motion”).
2. Section 1127 of the Bankruptcy Code provides that the proponent of a plan may modify the plan (a) before confirmation, provided the plan as modified complies with §§ 1122 and 1123, or (b) after confirmation and before substantial consummation, provided the plan as modified complies with §§ 1122 and 1123, if circumstances warrant and the court, after notice and hearing, confirms such plan as modified.
3. In addition, Section 10.1 provides that the Plan may be altered or modified by the Debtors after its submission for acceptance and before or after its confirmation, without notice and hearing, if the alteration or modification does not adversely change the treatment of the claim of any creditor as provided in Section 1127 of the Bankruptcy Code and in Bankruptcy Rule 3019.

¹ Capitalized terms shall have the meanings set forth in the Plan unless otherwise provided herein.

4. In order to address the concerns raised by the Rule 59 Motion, the Plan is hereby modified by the Debtors, effective upon entry of an Order by the Court disposing of the Rule 59 Motion in which the Plan, as Modified herein, is confirmed:

4.1. Calvin Phelps shall resign as an officer and as a director of the Reorganized Debtors, and shall not be appointed or serve as an officer or a director of the Reorganized Debtors until Final Consummation of the Plan.

4.2. Michael Mebane shall be appointed as President and Chief Executive Officer of the Reorganized Debtors.

4.3. Until Final Consummation of the Plan, the Board of Directors of the Reorganized Debtors shall be constituted as follows:

4.3.1. The Board shall at all times consist of three (3) directors.

4.3.2. The initial directors shall be Michael Mebane, Richard M. Hutson, II. and John W. Babcock.

4.3.3. In the event any director dies, resigns, retires or is otherwise unable or unwilling to serve in such capacity, his successor shall be appointed by the directors then remaining in office. In the event of a deadlock with respect to the selection of a successor director, either director may file a motion with the Court to resolve the deadlock by the appointment of a successor in the Court's discretion.

4.4. Except as expressly modified above, the terms and conditions of the Plan shall remain in full force and effect as confirmed by the Court.

5. The foregoing modifications to the Plan do not adversely change the treatment of the claim of any creditor, are in the best interest of creditors, and consistent with public policy and the purpose and intent of the Bankruptcy Code.

RESPECTFULLY submitted on behalf of the Debtors, this the 25th day of June, 2010.

/s/ John A. Northen

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing by automatic electronic service:

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This the 25th day of June, 2010.

/s/ John A. Northen

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